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## ROUTING AND RECORD SHEET

D S / S R E C O R D S T A T E

FILE

OJM-5

SUBJECT: (Optional)

Management of Agency Procurement System

FROM:		EXTENSION	NO.		
			DATE	RECEIVED	FORWARDED
Director of Logistics 1206 Ames Center Building			25 FEB 1970		
TO: (Officer designation, room number, and building)					
1. Deputy Director for Support 7D26 Headquarters Building		" Ward J.C.			You have previously read a draft of the attached document and gave me your verbal approval. I then subsequently discussed the matter with all members of the Agency Contract Review Board and, as you will note, they concur in the recommendation. We are prepared to implement this change immediately upon receipt of your signature on the attachment.
2.					
3. Director of Logistics 1206 Ames Center Building					
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John F. Blake

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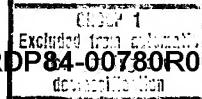
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2007-07-10

MEMORANDUM FOR: Deputy Director for Support  
SUBJECT : Management of Agency Procurement System

1. This memorandum contains recommendations for your approval; such recommendations are contained in paragraph 8.
2. Our continuing study and analysis of the operation of the Agency decentralized procurement system lead us to believe that the undertaking of certain organizational changes will bring about a more acceptable and efficient management environment to make more effective and responsive Agency procurement. These changes can be brought about within the existing personnel allocation of this Office and have been the subject of informal conversation with members of the Agency Contract Review Board. The Board concurs with our opinion and recommendation.
3. Changes are four fold in nature:
  - a. Relieve the current Chairman of the Agency Contract Review Board and make the Deputy Director of Logistics the "ex officio" chairman.
  - b. Organize a four-position "Procurement Management Staff" responsible to the Director of Logistics for staff supervision of the Agency procurement system.
  - c. Relieve the Procurement Division of the responsibility of rendering any services of common concern to the decentralized contracting teams and assign such responsibility to the "Procurement Management Staff."
  - d. Relieve the Procurement Division of the administrative responsibility for supervising the [redacted] junct of the Office of the Director of Logistics, reporting to it through the "Procurement Management Staff."
4. During the two-year history of the Agency Contract Review Board, it has been necessary to have a senior professional procurement officer as chairman of the Agency Contract Review Board so that the members would have the opportunity to "learn while

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SUBJECT: Management of Agency Procurement System

doing." Both officers who have served as chairmen during this period have done an admirable job. We are of the opinion, however, that the Board members collectively now have a sufficient understanding of the procurement process that a greater goal can be served by upgrading the position of chairman. As a continuing service both to the chairman and the Board members, we would assign to the Board, in the role of a technical consultant, the chief of the recommended "Procurement Management Staff." This individual would be a senior-ranking procurement officer and, therefore, such expertise and experience would be continually available to the Board members as they desired it.

5. Since the decentralized system was inaugurated on 1 September 1967, the Procurement Division of this Office has continued to perform certain services of a common concern. These services include, but are not limited to, advice on patent matters and the processing of patent applications wherein the Agency has an equity, liaison with the Departments of Defense and Commerce on priority allocations, the administrative control of Government-Furnished Equipment, the control and dissemination of information on base contracts, etc. During that period from 1 September 1967 to 1 March 1969 when the decentralized teams were being created and first gaining experience, this assignment of responsibility to Procurement Division was logical. However, Procurement Division itself today is more and more approximating a broad-based contracting team and the rendering of services of common concern can now best be accomplished by a unit independent of any team and reporting directly to the Director of Logistics.

6. The same logic for the establishment of the recommended "Procurement Management Staff" extends itself to the administration and supervision of the [redacted]

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5X1 [redacted] On 25 November 1968 we recommended to you that responsibility for the [redacted] be transferred from the Procurement Division to the Director of Logistics and on 2 December 1968 you approved this recommendation. We have withheld until this time implementing that approval for various reasons. The proper moment to implement the decision, however, is now present in connection with the revision for procurement management that is contained in this paper.

7. In order to provide personnel ceiling for the "Procurement Management Staff" we would utilize the two current positions associated with the Agency Contract Review Board, i.e., that of the chairman and the secretary, plus we would transfer two positions from the Procurement Division that are involved in rendering common-concern services. We would further propose to assign Mr. [redacted] currently Chairman, Agency Contract Review Board, to the position of Chief, Procurement Management Staff.

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8. It is recommended that you approve subparagraphs a, b, c, and d as presented in paragraph 3 above.

Signed: John F. Blake  
John F. Blake  
Director of Logistics

The recommendations contained in paragraph 8 are approved, but action on 8.a should be held until further action with ExDir is completed.

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R. L. Bannerman  
Deputy Director  
for Support

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Date

Distribution:

Orig - D/L  
② - DD/S  
1 - OL/Official

8 March

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Mr Bannerman

Altho we didn't get this for a few days after you left, it is one which I just didn't get to finalize. However, there is, as you see from [redacted] note a very direct conflict with what we have as the ExDir and IG position on the Chairman of the Contract Review Board - I don't know if that fact was mentioned when Jack Blake showed you a draft of the attached and I haven't had time to discuss with Jack. I believe that we should go with DDLog for a number of reasons including the very real one that we haven't been successful in getting slots for separate Chairman and secretary and we certainly can't take them out of what remains of OL and DDs hide for 70 and 71. We have a draft of the response to ExDir on IG report which should be ready for discussion in a couple of days. You may wish to see that and talk to Jack about it and this at one time. He is planning to go to the West Coast next weekend and wants to have this paper approved before he goes - if possible. Now that I've read IG and this, I'll be glad to speak to him to prepare for your discussion - if you wish.

jwc

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NOTE FOR: Mr. Coffey

1. The recommendation that the Deputy Director of Logistics function as the Chairman of the Agency Contract Review Board is in conflict with a recommendation contained in the IG Survey. The IG objected to the Chairman of the Contract Review Board serving in a staff capacity to either the Director or the Deputy Director of Logistics on the grounds that the Board should be "a critic of command decisions and policies, (and) disassociate itself from command activities and controls" (page 82). On page 86 of the report the IG recommended that the Chairman of the Contract Review Board no longer serve as Special Assistant to the Director of Logistics.

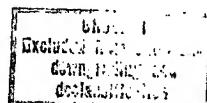
2. Colonel White's latest memorandum on the IG Survey reiterated the point that ~~no officer~~ <sup>one</sup> ~~serve~~ <sup>Should</sup> exclusively as Chairman of the Contract Review Board.

3. Mr. Blake's recommendations thus are in conflict with the sense of the IG Survey and Colonel White's latest statement. Perhaps you would wish to discuss this matter with him when you discuss the responses to the five outstanding IG recommendations.



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[REDACTED] Each Deputy Director will:

(b) Act upon proposed organizational changes or shifts in manpower which are within the budgetary limitations and manpower ceiling allocated to an individual component; i.e., office, division, or comparable unit, without prior approval, provided that such changes have no budgetary or manpower implications for another Directorate. The Director or Planning, Programming and Budgeting and the Director of Personnel will be notified of such changes;

(c) Review and forward proposals for organizational changes and changes in manpower ceilings which are not within the budgetary and manpower ceiling allocated to an individual component or those which have budgetary or manpower implications for another Directorate to the Director of Central Intelligence for approval. Proposals should be forwarded, with appropriate justification, through the Executive Director-Comptroller;

(d) Submit all proposals for significant organizational changes or manpower shifts, such as, the establishment or deletion of a new station, base, or other major organizational unit to the Director of Central Intelligence for approval. Proposals should be forwarded with appropriate justification through the Executive Director-Comptroller.

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[REDACTED] In support of the Executive Director-Comptroller, the Director of Planning, Programming and Budgeting will:

(b) Review proposals for significant changes in the organizational structure of Agency components and submit appropriate recommendations to the Executive Director-Comptroller;

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